

■ Federal Funding for Rural Area Development

In fiscal year 1997, Federal funds reaching nonmetro counties averaged \$4,768 per person, while metro counties averaged \$5,333 per person (table 4-6). However, significant regional differences exist. The nonmetro Midwest received the least amount of Federal funds, \$4,522 per person, while the nonmetro South and Northeast received slightly higher amounts per person. The nonmetro West received the highest amount of Federal funds, \$5,046 per person (table 4-7).

Federal funding includes grants, loans, and other payments to support agriculture, forest management, housing, transportation, education, health, public assistance, Social Security, veterans' benefits, defense, energy, and so on. Figures on the metro-nonmetro distribution of funds are based on the share of Federal funds that can be reliably traced to county levels. Interest on the national debt has been excluded for analytical purposes.

Nonmetro counties received a large share of their funds from income security programs, especially retirement and disability programs. About 42 percent of nonmetro funds were for such programs, compared with 33 percent of the metro funds (table 4-6). The nonmetro West received the highest amounts of per capita grants, salary and wages, and procurement contracts. However, the nonmetro West received only about 37 percent of its Federal funds per person for retirement and disability programs, compared to about 42 percent for the nonmetro Northeast, 43 percent for nonmetro Midwest as well as nonmetro South (table 4-7).

Table 4-6.

Federal funds per capita, FY 1997

<i>Object class of funds</i>	<i>All counties</i>	<i>Metro counties</i>	<i>Nonmetro counties</i>
		<i>Dollars</i>	
All Federal funds, including loans	5,218	5,333	4,768
Salaries and wages	611	675	360
Procurement contracts	646	736	291
Direct payments to individuals	2,868	2,726	2,936
For retirement and disability	1,810	1,762	1,996
Other than retirement & disability	959	964	940
Other direct payments	39	20	117
Grants	721	721	723
Loans	432	455	341
Direct loans	77	52	174
Guaranteed loans	355	403	167
All expenditures, excluding loans	4,885	4,878	4,427

Note: Details may not add due to rounding.

Source: Prepared by the ERS using data from the U.S. Bureau of the Census.

Table 4-7.

Distribution of Federal funds per capita in the nonmetro regions,
FY 1997

<i>Object class of funds</i>	<i>Northeast Region</i>	<i>Midwest Region</i>	<i>South Region</i>	<i>West Region</i>
	<i>Dollars</i>			
All Federal funds, including loans	4,839	4,522	4,824	5,046
Salaries and wages	433	283	325	566
Procurement contracts	336	185	273	520
Direct payments to individuals	2,983	2,818	3,121	2,613
For retirement and disability	2,027	1,952	2,069	1,853
Other than retirement & disability	956	866	1,052	760
Other direct payments	14	208	81	108
Grants	792	608	753	820
Loans	281	420	271	419
Direct loans	116	275	130	136
Guaranteed loans	165	145	141	283
All expenditures, excluding loans	4,558	4,102	4,553	4,627

Note: Details may not add due to rounding.

Source: Prepared by the ERS using data from the U.S. Bureau of the Census.